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CHEAPEAKE ENERGY CORP. ATTN: RECORDING TEAM P.O. Box 18496

Oklahoma City, OK 73154

Submitter: Chesapeake Operating, Inc.

DOCUMENT E-RECORDED IN THE COUNTY RECORDS

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

PAID-UP OIL AND GAS LEASE (No Surface Use)

	THIS LEASE AGREEMENT is made this 4 day of Jone 100% by and between Gail Vaughn whose address is 2301 Kildeen Tol. Grand Prairie, Tx 75052 as Lessor and
	CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased prepared to the control of the contr
٥.	28635100 acres of land, more or less, being Bludlot 28 out of the Kirby Creek, an addition to the city of Grand Prairie, Texas, being more particularly described by metes and bounds in that certain Special Larranty Deed with recorded in 2011/2001 Volume, of the Official Public Records, of Tarrant County, Texas;
ir F a a t	n the County of Torrest State of TEXAS, containing a 1862510 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, rescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in state of the purpose of exploring for the term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In ddition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a none complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be
¢	eemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other ances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions
- 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty percent (20)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transport separator facilities, the royally shall be twenty percent (20)% of such production, to be delivered at Lessee's option to Lessor at the wellhead nor Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee; of the delivering, processing or otherwise marketing age or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing willhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the enerse field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheles be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, provided that if this lease is otherwise being maintained by operations, or if production to be made to Lessor or to Lessor's credit in the depository observation spartners are passed by the production therefrom is not being sold by Lessee, provided that if this lease is otherwise being maintained by oper on facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then
- provided herein.
- provided herein.

 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commonement of production, whenever Lessee deems it necessary or proper to do so in order to productly operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a possible of the common of the comm 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or

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- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lesson's wells or ponds. In exploring, developing, producing or marketing released premises or lands pooled therewith, the ancillary rights granted herein shall apoly (a) to the entire leased premises described in Paragraph 1 above, notwithstancing or my partial released or other oping, producing or marketing from we, notwithstanding any partial release cost, any on, gas, water anoth other substances produced on the leased premises, except water from Lessor's wests or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on
- the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of my governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented. delayed or interrupted.
- desay, and at Lessee's option, the period of such prevention or delay shall be able to the control of the period of such preventions or delay shall be able to the control of the period of such preventions or delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lesse, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lesse covering any or all of the substances covered by this lesse and covering all or a portion of the land described herein, with the lesse becoming effective upon expiration of this lesse, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lesse or part thereof or interest therein, covered by the
- the offer. Lessee, for a period of tirreen days after receipt of the notice, shall have me prior and prefer to a period of particular to purchase and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice full describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the h or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well here easement under and through the leased premises for the placement of well hore (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well here easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the lessed premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners. IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. Gail Vaughn Gail Vaughn ACKNOWLEDGMENT day of Time owledged before me on the ____. 20_*(2)*{. by Notary Public, State of Texas JON FRY otary Public, State of Texas My Commission Expires Notary's name (printed) Notary's commission expires: August 24, 2011 **ACKNOWLEDGMENT** STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on the ____day of ___ by Record & Return to: Notary Public, State of Texas Chesapeake Operating, Inc. Notary's name (printed): P.O. Box 18496 Notary's commission expires: Oklahoma City, OK 73154 CORPORATE ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on the day of _, by_. corporation, on behalf of said corporation. Notary Public, State of Texas Notary's name (printed): Notary's commission expires: RECORDING INFORMATION STATE OF TEXAS County of This instrument was filed for record on the ___ _, 20__ _day of _ o'clock _M., and duly recorded in __, Page ___ _, of the ___ ____ records of this office. Ву

Clerk (or Deputy)